

DHR
POSSIBLE BUDGET REDUCTION STRATEGIES

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| DIVISION/ OFFICE | DESCRIPTION | BENEFIT TO DHR ¹ | Estimated Reduction in State \$ and Positions | | | | | | Legislation Required? | Impact/Repercussions ² |
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| | | | FY04 | | FY05 | | FY06+ | | | |
| | | | State \$\$ | Positions | State \$\$ | Positions | State \$\$ | Positions | | |
| AGING SERVICES | Eliminate two positions | This action would reduce administrative costs and streamline operations. | \$159,000 | 2 | \$159,000 | 2 | \$159,000 | 2 | | Area Served: Statewide Clients Impacted: None |
| | Eliminate Georgia Caregiver Resource Center; shift responsibility. to National Family Caregiver Support Program and state CBS program | Services previously offered under this program will be made available through the National Family Caregiver Support Program and the state-funded Community Based Services program, to the extent possible given their current funding levels. | \$115,000 | | \$115,000 | | \$115,000 | | | Area Served: Statewide Clients Impacted: 351 Opposition to this action may come from the Georgia Alzheimer's Association, the legislature, family caregivers and advocates. |
| FAMILY AND CHILDREN SERVICES | Consolidate DFCS offices; consolidate services and administration in phases, beginning with smaller (less than 10,000 population) counties. Eliminates 35 DFCS County Director positions. | State Law (O.C.G.A. 49-3-1) currently requires each county to have a County Department (of Family and Children Services) , a county director and a county board. An initial review of this requirement indicates that there are many cost issues with this service delivery model: -The requirement to have an office in every county results in leasing more space than would be required in a more efficient organizational model, - Since every county must be staffed at a minimal level for services, eligibility and administration, the benefits of economies of scale are not realized, and - The focus on having a full-service operation in every county does not allow the department to take full advantage of opportunities to increase efficiency through technology and other innovative service delivery models. | \$ 455,000 | 35 | \$ 480,000 | 35 | \$ 480,000 | 35 | YES | The impact on local economies in small counties could be significant. Local banks would lose deposits, local employment would be reduced and local landlords would lose income. This could require personnel actions including reductions in force (RIF's). The downsizing of offices could have an impact on services and local partnerships. Currently some county governments subsidize positions and/or services for foster children. They might be less likely to do so if there were no full-service DFCS office in their county. Other local partnerships could be similarly affected. There would be initial one-time costs (moving expenses, technology upgrades, etc.) which would delay the significant savings until the out-years. |
| | Reduce state level professional staff positions | Reduces state-level professional and administrative staff, streamlines operations | \$ 281,000 | 12 | \$ 281,000 | 12 | \$ 281,000 | 12 | | Loss of skilled employees. May have impact on employee morale. |
| | Close 10 administrative offices; relocate staff & telework | Reduces overhead and increases efficiency of service delivery. | \$43,000 | | \$50,000 | | \$50,000 | | | Local businesses and landlords may be adversely affected. |
| | Reduce funds for state conferences by 50% | Cost avoidance and financial savings | \$103,000 | | \$103,000 | | \$103,000 | | | This may impact advocacy groups such as the Foster Parent Association, GAHSC, SAAGs, etc. Opportunities for state-level management to interact with local managers would be reduced. |
| | Eliminate all out-of-state travel | Cost avoidance and financial savings | \$54,000 | | \$54,000 | | \$54,000 | | | Could result in reduced knowledge of national trends, solutions and other promising efforts in other states. |
| | Eliminate/reduce contracts and contractor staff | Improved administrative efficiencies and reduced costs. | \$250,000 | | \$250,000 | | \$250,000 | | | Could result in increased workload on current staff and the loss of skilled retirees. Contractors and local businesses may be adversely affected. |
| | Hold County Director vacancies for a minimum of 6 months | Provides opportunity to expand multi-county management and administration (See "Consolidate DFCS Offices..." above.) | \$115,000 | | \$115,000 | | \$115,000 | | | Could initially result in reduced management efficiency for both the county with the vacancy and the supervising county. Local DFCS Boards, local government and community partners may object. |
| | Centralize county DFCS payroll; administer through OFS | Improved administrative efficiencies and reduced costs. | \$137,000 | 3 | \$137,000 | 3 | \$137,000 | 3 | | Local banks would lose deposits, local employment could be affected. |

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| MENTAL HEALTH DEVELOPMENTAL DISABILITIES AND ADDICTIVE DISEASES | Freeze admissions and begin closing of Craig Nursing Home at Central State Hospital | Nursing home care is not part of primary mission of MHDDAD. | -- | | \$2,345,000 | 201 | \$2,345,000 | 201 | | Unit serves 138 consumers. New admissions will be frozen. Some reduction of census will occur through normal attrition. Remaining consumers will be transitioned to local nursing homes over a two-year period. NOTE: FY05-06 amounts are annualized from \$16.2 million FY04 austerity cuts. |
| | Raise DUI Fees by \$10 per individual; use to supplant state funds | Defray state expense related to the state administration of the DUI program. | \$104,000 | | \$418,000 | | \$418,000 | | YES | This action will result in increased fees for offenders attending DUI classes. All of the increase will be remitted to the state with none of the increase being retained by DUI school providers. There is likely to be considerable opposition from DUI school operators (200 schools), their professional association (GARDE), and DUI instructors (300 certified instructors) if they do not get to keep a portion of the increase. The DUI rebate fee is set by statute (O.C.G.A. 40-5-83(e)). This action will require legislative change. This action will not reduce services to consumers. |
| | Consolidate state-level admin, eliminate 6 positions | This will serve to streamline and make more efficient certain administrative functions in the MHDDAD State Office, and also provide organizational focus to developmental disability issues. | \$415,000 | 6 | \$415,000 | 6 | \$415,000 | 6 | | This will impact staff and staff morale in the state office. Six staff would be terminated, one extended service staff member would be terminated, one staff member would have a pay cut and reassignment. |
| | Reduce unobligated state level reserves for autism services | Reviewing all options in times of austerity appears to preclude maintaining contingency funds such as these. | \$190,000 | | \$190,000 | | \$190,000 | | | There will be no contingency funds to deal with emergencies facing families with a family member with autism. This action may be opposed by families. |
| PUBLIC HEALTH | Fund source swap: refinance with tobacco settlement funds for tobacco cessation education and tobacco use prevention programs. | Cost avoidance and financial savings | \$485,000 | | \$485,000 | | \$485,000 | | | No negative impact on existing services. |
| | Reduce Cancer State Aid admin. - redirect to DCH | Cost avoidance and financial savings | \$111,000 | | \$204,000 | 3 | \$204,000 | 3 | | DHR will redirect benefits portion to DCH, as appropriate. Explore financing positions with Tobacco Settlement Funds. DCH may need positions to support payment function. |
| | Fund source swap: refinance state funds with early intervention federal funds to Parent-to-Parent of Georgia | Cost avoidance and financial savings | \$109,000 | | \$109,000 | | \$109,000 | | | This is a federal mandate. Federal funding would be used to replace state funding. |
| | Reduce the school aged Hearing/Vision Program by 50%. | Reduces expenditures and allows for better program coordination with other school nurses. | \$383,000 | 6 | \$383,000 | 6 | \$383,000 | 6 | | Positions are located in Albany, Augusta, Athens, Brunswick, Columbus, Dekalb, Macon, Marietta, Valdosta, and Waycross. These funds are used as match for the Maternal and Child Health Block Grant, therefore this reduction impacts that program's maintenance of effort (MOE). |

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| CHILD SUPPORT ENFORCEMENT | Eliminate checks; use bank sponsored debit card for payments | Currently the department spends about \$5 per check and issues 3.9 million checks each year. This is a labor intensive process that requires staff to track address changes, un-cashed checks and fraudulent checks. Staff could be reassigned to getting undistributed funds to clients. Additional income allows OCSE to unfreeze positions and provide better service to clients, less customer service issues, and less stress on remaining staff. | \$2,000,000 | | \$2,100,000 | | \$2,200,000 | | | Clients will get their money faster and at lower cost for those who don't have Bank Accounts. Eliminates the need for stop payments, reduces fraud opportunities, and reconciliation of paper checks. It will eliminate the need for GTA staff to print and mail paper checks and result in lower fees to GTA. This action will need GTA approval. |
| | Provide DCH with health insurance info to reduce Medicaid expenditures (50% DHR, 50% DCH) | When Medicaid uses this health insurance information, the cost of primary care is shifted from Medicaid to a private insurer. OCSE in other states is drawing down state Medicaid funds from the savings. We estimate in Georgia this would save between \$1200 and \$2000 per case. Additional income allows OCSE to unfreeze positions and provide better service to clients, less customer service issues, and less stress on remaining staff. | \$2,000,000 | | \$2,000,000 | | \$2,000,000 | | | Clients will have to rely first on private health insurance for health coverage with Medicaid as a co-payer. Private health coverage can change as Non-custodial parents changes jobs or his employers changes health plans. DCH would have to cooperate and sign an agreement on sharing of cost savings. OCSE staff would be more consistent in pursuing health coverage in support orders if they see some result from their work. |
| | Consolidate OCSE Regions and admin staff | Eliminate one region office and staff. Consolidate Interstate/Locate Section with Financial Customer Service Unit to better utilize staff and provide for more efficient service to staff and customers. | \$100,000 | 5 | \$102,000 | 5 | \$105,000 | 5 | YES | Eliminating a Region Office would require that other regions pick up the responsibilities for that Region including local office supervision, and contract compliance. Consolidation of Locate Section and FCSU would allow OCSE to better judge the effectiveness of both functions, shift resources to meet demand for services and thus provide better customer service to staff and clients. We would need to acquire through contract the expertise now being provided by Locate Mgr on Interstate child support issues. Will require a change in the legislation mandating DHR service regions. |
| | Eliminate or reconfigure existing contracts to provide customer service, locate, and casework functions | Contractor could perform customer service, locate, and casework functions to cover vacant caseloads or supplementing existing services. Contractor would allow us to concentrate on "revenue producing" activities. | \$300,000 | | \$350,000 | | \$400,000 | | | Elimination of collection contract would mean a loss in collections and child support monies sent to families. Reconfiguration of the contract would allow enforcement staff concentrate establishing paternity, child support orders, and enforcing orders. These activities produce money for the families as well increasing our incentive earnings. |
| REGULATORY SERVICES | Eliminate criminal records checks; shift responsibility to licensee to go to local law enforcement | No direct benefit to DHR but may be seen by provider groups as speeding up significantly the process for determining whether a potential employee has a criminal record by allowing providers to access checks through local law enforcement. | \$23,000 | 2 | \$23,000 | 2 | \$23,000 | 2 | YES | Would require a law change. Will be seen by advocates for children and elderly as diminishing the oversight currently being provided to ensure that certain criminals do not harm vulnerable adults and children. Will need coordination with the Office of School Readiness. |

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| ADOPTIONS | Eliminating Adoptive Family Training Seminar | This reduction improves the efficiency of business operations by not duplicating efforts in the Office of Adoptions (OA) and within DHR. | \$175,000 | | \$175,000 | | \$175,000 | | | If the conference is not held in upcoming years, the impact on adoptive families will be minimal as the Foster/Adoptive Parents Association holds a similar conference for parents. This conference is held annually in February and provides many training opportunities for parents. The children's seminar has not been offered at this conference; however, OA could provide a limited amount of financial and programmatic assistance in conjunction with a private provider to include a modified program for children. With the referenced programmatic modifications, consolidating both conferences would allow the department to continue offering training to families. |
| | Transfer responsibility. for distributing newsletter to existing contract | Currently, an independent contractor develops, designs, and publishes a quarterly newsletter which focuses on special needs adoptions for OA. The newsletter has a statewide circulation of approximately 12,000 and assists with recruiting potential adoptive parents for the waiting special needs children in permanent custody of DHR. This proposed reduction assists DHR in fulfilling its mission and improves efficiency in business operations. | \$75,000 | | \$75,000 | | \$75,000 | | | OA will transfer the service by incorporating it into the Adoptions Resource Center's existing contract. The newsletter will be developed by Resource Center Staff and published online. The Center's budget currently includes one time setup costs; therefore, its allotted budget will absorb the costs of creating and distributing this publication. |
| | Eliminate Attachment Therapy for Adopted Children contract | The Attachment Therapy for Adopted Children with Special Needs contract was established to create an attachment therapist training program that utilized the popular therapeutic model established by Dr. William Goble. Attachment therapy is labor intensive for both the therapists and the families, and cannot be appropriately provided in the traditional one-hour time frame once or twice per week. Therefore, only a the limited number of children have benefited from this program. Consequently, the training and services offered are not cost effective. This reduction insures the efficiency and the effectiveness of programs. | \$250,000 | | \$250,000 | | \$250,000 | | | Although there are many other children with a DSM IV diagnosis of Reactive Attachment Disorder who would benefit from this intervention, medical insurance and Medicaid will not cover the cost of this non-traditional therapy. If this contract is not renewed, families would continue experiencing difficulty accessing this service due to the cost of therapy. An alternative provision by OA could possibly fund a specific number of hours of therapy for a limited number of families since therapists who are trained in this modality are now trained to provide the service. |
| AUDITS | Eliminate performance audit contract funds | Cost avoidance and financial savings | \$270,000 | | \$270,000 | | \$270,000 | | | Performance audits are not required. |
| INVESTIGATIVE SERVICES | Eliminate admin team position | Reduce amount staff to supervise and improve the efficiency of business operations | \$20,000 | 1 | \$20,000 | 1 | \$20,000 | 1 | | Duties must be absorbed by IT support staff. |
| | Eliminate EDP entry position | Streamline current EDP process and improve the efficiency of business operations | \$15,000 | 1 | \$15,000 | 1 | \$15,000 | 1 | | Longer time to process EDP requests may result if process not streamlined and incorporated into new Investigative Services Information System (ISIS) |

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| HUMAN RESOURCE AND ORGANIZATION DEVELOPMENT | Eliminate Leadership Team and Board Retreats | Cost avoidance and financial savings | \$20,000 | | \$20,000 | | \$20,000 | | | Information and training can be conducted by other means. Positive public perception |
| | Implement policy that all conferences with greater than 50 attendees must use HROD conference planners | Financial savings and consistent standards & procedures department-wide | \$20,000 | | \$20,000 | | \$20,000 | | | Conference planners will be able to negotiate better rates. However, due to volume they will not be able to be on-site for all conferences. |
| | Reduce LDI classes from 2 to 1 per year | Cost avoidance and financial savings; more attention & effort given to the remaining class | \$65,000 | | \$65,000 | | \$65,000 | | | No direct negative impact. Twenty vs. forty staff will receive training. |
| | Leave OHROD Director position vacant until July 2004 | Cost avoidance and financial savings | \$60,000 | | — | | — | | | Position would have been vacant for a couple of months anyway. Appoint acting director during interim. |
| POLICY AND GOV'T SERVICES | Consolidate all communications functions under the Office of Communications | Message consistency; scheduling consistency; sharing of tools/resources/ideas; agreement on planning and results measurement techniques; project review/approvals easier to manage; greater flexibility in how tasks are assigned (e.g., small teams can come together or disband based on amount of work coming into the department). | \$150,000 | 3 | \$150,000 | 3 | \$150,000 | 3 | | Employee morale may be temporarily affected due to organizational changes. Increased demand will be placed on the Office of Communications to provide good customer service to divisions and offices. |
| | Provide communications account mgt services including ongoing web maintenance to DHR divisions/offices | Reinforces customer service mentality on remaining Office of Communications staff; more thoughtful planning rather than reactive/spot projects on an ad hoc basis; can put customer satisfaction measures into performance reviews to increase accountability. | \$150,000 | 3 | \$150,000 | 3 | \$150,000 | 3 | | Pulls web management responsibilities off approx. 30 staff so they can focus on true specialties. Increased demand will be placed on the Office of Communications to provide good customer service to divisions and offices. |
| | Outsource print/design function | Get clearer picture of true cost-benefit of having in-house service vs. outsource; will determine staff reductions and new production processes/purchasing needs | \$100,000 | 2 | \$100,000 | 2 | \$100,000 | 2 | | If the function is outsourced, the department will need to work out a "stable of preferred vendors" for design, printing, etc., to be used as needed so that each project does not require a new bid process; communications acct. mgrs. will have to learn basic production management skills (e.g., design reviews, proofreading, concepting); may require very strict design standards for consistency across multiple artists/vendors. |
| | Eliminate printing of forms/reports/brochures etc. go electronic | Lower cost; faster production; fewer staff hours used; no paper waste | \$15,000 | | \$15,000 | | \$15,000 | | | Added work on IT staff; need to monitor/upgrade/repair equipment; customers with little or no computer skills may be intimidated. |
| FACILITIES AND SUPPORT SERVICES | Relocate forms warehouse to commercial space; reduce space by 50% | Reduced rental cost from the GBA rate of \$10.37 sq. ft. for 93,750 sq. ft to and estimated competitive commercial rate of \$ 4.57 sq. ft. for 70,000 sq. ft. Also, use of electronic storage will improve efficiency of operations. | \$200,000 | | \$800,000 | | \$800,000 | | | One time moving cost would initially be incurred of approximately \$18,000. Conversion to electronic storage will require initial re-training. |
| | Co-locate Transportation staff with other DHR staff | Staff would be co-located with other DHR staff, which will improve coordination and communication and this would eliminate the need for annualized rental funding for six regional offices. | \$66,000 | | \$66,000 | | \$66,000 | | | DHR would need to identify possible space in existing DFCS, hospital, etc. facilities. DHR would need to negotiate a termination to existing leases. This could negatively affect relations with existing landlords. |

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| HUMAN RESOURCE MANAGEMENT | Reduce random drug testing | Cost avoidance and financial savings | \$75,000 | | \$75,000 | | \$75,000 | | | Minimal impact on services while still preventing drug abuse due to the continued possibility of a random drug test. |
| FINANCIAL SERVICES | Change banks based on pro forma completed by Office of Treasury | Will reduce the cost to DHR for the Child Support account and will reduce the cost to the state for all other accounts. Total savings is \$242,000 but a portion of that is savings to the Feds on the OCSE account. | \$105,000 | | \$105,000 | | \$105,000 | | | First Union Bank/Wachovia will be affected due to loss of business. |
| INFORMATION TECHNOLOGY | Renegotiate current personal services contracts, re-bid remaining contracts | Under current market rates, a substantial savings should result. Many rates are at the pre- Y2K levels, when rates were at a "high water mark" level. | \$1,500,000 | | \$1,500,000 | | \$1,500,000 | | | May adversely affect current contractors. |
| | Reduce software licenses for Microsoft, Oracle, Novell, etc | Cost avoidance and financial savings. | — | | \$1,000,000 | | \$1,000,000 | | | Would require coordination and approval of GTA. This would result in loss of income for these large software companies. |
| | Review help desk approach for re-bid or in-source | This would reduce the overall costs associated with the helpdesk function, improve efficiencies and customer service. | \$600,000 | | \$600,000 | | \$600,000 | | | Current contractor could be adversely affected if they lose the contract due to re-bid or in-sourcing. |
| | Reduce operational costs for \$TARS and SUCCESS | Cost avoidance and financial savings. | \$500,000 | | \$1,750,000 | | \$1,750,000 | | | Must work closely with GTA to effect these savings. Could impact GTA services and staffing levels. If operational changes are not implemented correctly, system downtime to users might result. |
| COMMISSIONER | Eliminate one position in the Commissioner's Office | Cost avoidance, financial savings and streamlined operations. | \$30,000 | 1 | \$30,000 | 1 | \$30,000 | 1 | | No adverse impact on services. |
| DEPARTMENT- WIDE | Reorganize and consolidate domestic violence prevention programs to produce a 10% reduction in administrative costs (state portion) | This will allow for improved program coordination and administration, while streamlining operations and focusing programs on common outcomes. | \$5,000 | | \$5,000 | | \$5,000 | | | Will require coordination and cooperation across division/office lines. |
| | Reduce number of conferences and associated travel costs by using distance learning technology | Cost savings and reduced time and related stress due to travel. | \$50,000 | | \$50,000 | | \$50,000 | | | Will require coordination with GSAMS sites. Will incur GSAMS charges. Availability of GSAMS sites may affect conference scheduling flexibility. |
| | Elimination of Extended Service (Reemployed Retirees) | Would encourage managers to focus on employee development and succession planning; would increase promotional opportunities for staff | \$1,650,000 | | \$1,650,000 | | \$1,650,000 | | | Retired staff can perform highly valued service due to their wealth of experience. It is estimated that 70-75% of these positions involve direct client contact |
| | Encourage retirement of employees with 34 or more years of service | Would increase promotional opportunities for staff | \$500,000 | | \$500,000 | | \$500,000 | | | Decision whether to retire would have to be voluntary with each individual employee |
| | | | | | | | | | | |
| | | TOTALS: | \$14,598,000 | 82 | \$20,324,000 | 286 | \$20,477,000 | 286 | | |

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